

**Finance and Performance (F&P) Committee
Chairs Summary Report**

**Public Board
25 March 2026**

Presented for:	Alert, Advice and Assurance
Presented by:	Mark Burton Non-Executive Director and Chair of the F&P Committee
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List of meeting dates:	28 January and 25 February 2026

Link to Strategic Objective	Ensure financial sustainability
Link to Provider Capability Assessment	Financial performance and oversight
Link to CQC Well-led Statement	Governance, Management and Sustainability
Regulatory Impact	Regulation 17: Good governance

Key points:	
This report provides a summary of the key highlights from the F&P Committee meeting and seeks to alert, advice and provide assurance to the Board on the areas discussed.	Alert, Advice and Assurance

Risk Appetite Framework			
Level 1 Risk	Level 2 Risks	(Risk Appetite Scale)	Impact
Financial Risk	Change Risk - We will deliver change aligned to the Trust's strategy on time and to budget with benefits achieved and no significant adverse impacts.	Cautious	Moving Towards
Clinical Risk	Capacity Planning Risk - We will ensure that capacity is planned to meet the demand for elective and non-elective (acute) admissions to our hospitals, managing this risk to provide safe treatment and care to our patients.	Cautious	Moving Towards
Financial Risk	Financial Management & WRP - We will deliver sound financial management and reporting for the Trust, aiming to at least break even, with no material variances to forecast.	Cautious	Moving Towards
Financial Risk	Financial Reporting Risk - We will deliver sound financial management and reporting for the Trust, with no material misstatements or variances to forecast.	Minimal	Moving Towards

1. Introduction

Following its last meeting the Committee has considered significant issues and key areas to highlight to the Board under three key categories Alert, Advice, Assurance (AAA):

- Alert - areas which the Committee wishes to escalate as potential areas of non-compliance, that need addressing urgently, or that it is felt Board should be sighted on.
- Advice - any new areas of monitoring or existing monitoring where an update has been provided to the Committee and there are new developments.
- Assurance - specific areas of assurance received warranting mention to Board.

2. Alert

- Board endorsement is sought to amend the Committee forward plan, to enable a rotational focus on finance and performance at alternate meetings, to support additional focus and detailed discussion. If supported, it is proposed that the finance reporting would be received in alternate months to the Board dates, to enable the Board meeting to act as an escalation route for any immediate and actionable concerns.
- At its meeting in February 2026, the Committee received a deep dive on the Emergency Care Standard (ECS) and Bed Occupancy Position. Whilst the Trust was demonstrating control of the ECS recovery trajectory, the Committee was notified of increasing risk within the Emergency Departments as a result of increased attendances and the volume of existing patients in the bed base with No Criteria to Reside (NCtR). The Committee explored the escalating risk position in more detail and the current mitigations in place to manage risk (noting that assurance on the quality and safety measures was provided via the Quality Assurance Committee) however it wished to escalate its concerns of the unsustainable position to the Board. A copy of the report received has been shared with the Board in its Private meeting at agenda item K
- The Financial Improvement Board (FIB) has been stood down and replaced with a Turnaround Executive Meeting (TEM) held fortnightly, with a focus on actions that could improve the expenditure run rate. This forum would also maintain oversight of the implementation of the recommendations arising from the PwC Financial Controls review. This was an Executive Group accountable to the Chief Executive however the Committee would receive a monthly summary of progress, and a quarterly update would be included within the Fundamental Financial Review (FFR) received by the Board.

3. Advice

- The Committee routinely receives a staff story update primarily focused around productivity and improvement initiatives. At its January meeting the Committee received an update on the Diagnostic Demand Optimisation programme which was a transformation programme established to mitigate growing demand for diagnostics. Its objective was to achieve a measurable reduction in unnecessary tests requested for Pathology and Radiology using a clinically led method. The Committee recognised and commended the improvements to-date which had released both financial savings and enabled additional capacity by taking action to eliminate duplicate testing and reducing low value add on exams. At its February meeting an update on the Making Every Day Count initiative was shared and the Committee reviewed the drivers of the programme which focused on creating standard work processes to improve patient flow, reduce avoidable delays and supporting patients to return home sooner.

Assurance was received on the feedback and learning process supported by regular Gemba walks with feedback shared directly with Teams. There was recognition of the increased pressure across all services and the impact of high volumes of NCtR was highlighted as a risk.

- The Committee was notified that the Trust was scheduled to be reassessed for its Towards Excellence Accreditation which would take place before the end of April 2026. The Trust had submitted the self-assessment portion of the accreditation in January and was hopeful it would retain its Level 3 accreditation. A further update would be provided to the Committee once the external assessment had concluded.
- The Committee reviewed the month nine and month 10 finance position and continued to advise the Board to forecast delivery of a breakeven position. At month nine the Trust was reporting a year-to-date (YTD) deficit of £30.9m which was in line with the Best-case in the most recent Fundamental Review and at month 10 the Trusts was reporting a YTD deficit of £26.2m which was £2.0m favourable to the best-case fundamental review. Assurance was received on the increased certainty of additional external funding during Q4 which would be received in months 11 and 12 and reflected in future reporting. Increased pay expenditure was highlighted as an ongoing concern with both temporary staffing spend and substantive staffing spend higher than planned and the increase in substantive staff had not resulted in a reduction in temporary spend. Actions were being taken via the Executive Team to address this and ensure controls were adhered to when requesting additional temporary staff. Given the increased confidence that the Trust would achieve its financial plan of a breakeven position, the financial risk on the corporate risk register had been decreased to medium with an overall risk score of 15.
- The Committee received a report on the latest productivity and efficiency position as defined by the Model Hospital Data. It agreed that moving forward it would receive quarterly reports on internal productivity and efficiency through a series of key metrics agreed as theatres, outpatients, diagnostics, and length of stay programmes. It requested the quality and safety be included as a key feature within the deep dives alongside inclusivity.
- In line with its delegated authority as defined within the Standing Financial Instructions (SFI) the Committee made a number of approvals which included:
 - Prosthetic & Orthotics Managed Service (*recommended for Board Approval*)
 - Removal of Sauter BMS Equipment Block 07 Wards 1 to 16 Gledhow Wing SJUH – Contract Approval
 - Clinical Diagnostic Centre Expansion (Seacroft)
 - WYAAT Pharmacy Aseptics Programme Contract Re-Approval (*recommended for Board Approval*)
 - In addition, the Committee received an update on the upcoming renewal process for the Linen and Laundry contract due to the contract value.

4. Assurance

- The Committee reviewed the latest performance against each of the Constitutional Standards at both month nine and 10. Whilst the Trust was not achieving the Constitutional Standards, progress against internal recovery trajectories was recognised and assurance was received on the actions in place to support recovery and mitigate from further deterioration. A validation exercise was being conducted of the Total Waiting List (TWL) and a national Q4 sprint had been announced to reduce the Referral to Treatment (RTT) waiting list and was

supported by external funding. It should be noted that the Trust will not deliver on the 52-week National Planning Priority target of 1% without additional capacity. A deterioration was highlighted within the month nine Cancelled Operations performance with key areas of impact explained as an increase in patients presenting with respiratory illnesses, and the impact of lost capacity due to Industrial Action. The Committee sought assurance of the recovery position for month 10 and assurance was provided of a recovering position in the month 10 data. The Committee also reviewed the impact of the national shortage of bone cement (used in surgery) which had impacted some elective waiting lists however a national solution had been identified which would mitigate further risk/ impact.

- A deep dive was received on the Diagnostic Standard which had demonstrated that the Trust was forecast to achieve the National Planning Guidance ambition of 95%. There remained capacity constraints in a small number of services, with the Radiology and Children's CSUs described as having the most significant challenges and the highest numbers of patients waiting over six and 13 weeks. The Committee explored the confidence in the recovery actions and recognised that staffing was a key risk to delivery with assurance received of the recruitment and retention actions in place. The Committee also highlighted the purchase of a rocket simulator, funded from Leeds Hospital Charity, which would be used to help reduce the need for general anaesthetic for Paediatric MRI. The use of this would reduce the time length of individual cases and enable additional MRI capacity.

5. Risk review

The reduction in the risk in achieving the annual financial plan should be noted.

There was also recognition of the increasing risk within the ED which has been alerted to the Board and further consideration of the impact to the risk tolerance anticipated to be had during the private meeting.

6. Recommendation

The Board are asked to receive and note the content of this report and be assured that the F&P Committee is fulfilling its assurance function as delegated from the Board and as defined within its Terms of Reference.

The Board are asked to support the proposal for the work plan and alternate meeting focus alternating between finance and performance.